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January 29, 2010



Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: Ex Parte: Dkt. Nos. 97-80, 09-51, 09-47, 09-137.

Dear Ms. Dortch:

On January 26th, 2010, Jeffrey Karadatzke, CTO, SageTV, LLC and Mike Machado, CEO, SageTV, LLC had a conference call with Phil Bellaria, Director, Scenario Planning, National Broadband Task Force, Bill Lake, Chief, Media Bureau, and Alison Neplokh, Steve Broeckert, Brendan Murray, Kris Monteith, Mary Beth Murphy, Jeff Neumann and Nancy Murphy of the Media Bureau.

In the call, we discussed the barriers that SageTV, Tivo, Microsoft and the consumer electronics industry faces when trying to bring innovative set-top boxes and PC software solutions to the consumer market to access content from various MVPDs. That market alone is 10s of millions of set-top and software products a year and unfortunately for US based companies the US MVPDs have some of the most closed networks in the world. These closed and restricted MPVD networks make it very difficult for companies like SageTV, Tivo, and Microsoft to create innovative set-top boxes and software for the US market that can be expanded to worldwide distribution. This large set-top box and software market is a great opportunity for the US to create and support companies that employ thousands of highly skilled workers.

We discussed issues related to certification and licensing of CableCard and Tru2Way devices. We discussed the effects this has had on SageTV's and the consumer electronics industry's ability to deliver solutions to the consumer in this area, the current techniques consumers can use in order to use a navigation device for their MVPD's content which was not provided by the MVPD, and ways in which this situation could be improved to enable more choice for consumers.

We discussed the idea of using an Ethernet-based gateway device in the home that would eliminate the dependence on which MVPD the consumer subscribes to and enable the industry to provide a wide variety of consumer devices to watch and record TV. We also gave our support for such a device and talked about how an open interface should be required on such a device to enable healthy competition to occur in related markets and enable the consumer electronics industry in the US to be more competitive worldwide in the large set-top box market.

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We shared facts and evidence that shows the real solution in making CableCard work effectively to enable a wide range of 3rd party CE products is to require MSO's to remove all certification requirements and restrictions by CableLabs for 3rd party devices. As long as the MSO's and/or CableLabs is in a position to control who can compete with their own leased set top devices through any kind of certification process, a robust market for 3rd party devices will never develop. Simple technical compatibility should be the only standard. Any other approach to make CableCard work as an enabler for 3rd party CE devices will not succeed, as history has clearly shown. Microsoft has invested millions in this area and negotiated with CableLabs for a specification to allow PCs to connect to premium digital cable services but the CableLabs restrictions on that specification has caused the Microsoft CableCard solution to be an economic failure. Tivo faces the same limitations from CableLabs and the limitations on it's ability to innovate due to CableLabs restrictions has harmed their ability to grow in the US and overseas markets for set-top boxes.

We also discussed ways in which linear programming could be accessed through such a gateway device and also how VOD programming could be accessed as well. We also discussed issues related to using the current CableCard tuners for Microsoft Windows Media Center with SageTV's software platform.

Please direct any questions or correspondence to our attention.

Sincerely,

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